

Town of Brunswick, Maine

**Town Finance Committee
Thursday, July 21, 2016 ~ 3:30 PM
85 Union Street – Town Council Chambers**

Meeting Minutes (Approved 8/18/16)

Committee Members Jane Millett (chaired the meeting), Alison Harris, Dan Harris
Staff: John Eldridge, Julie Henze, John Foster, Branden Perreault
Others: Richard Fisco, Leonard Blanchette (Sewer District), Richard Burns

1. Acknowledgement that Meeting was Properly Noticed

JH confirmed that the meeting was on the Town Calendar

2. Adjustments to agenda / Public Comment

Adjustments to agenda: because Steve Walker is absent, table items 5b and 5c.
No public comment.

3. Approval of meeting minutes from 6/16/16

Alison Harris moved, Jane Millett seconded, to approve the 6/16/16 Finance Committee Meeting minutes. Dan Harris abstained as he was not at the June meeting. Motion carried on votes by Alison Harris and Jane Millett.

4. Mere Point Wastewater District Fees

JH presented item, referring to the memo and attachments in the packet. John Foster presented a history of the Mere Point Wastewater District and a description of the current management and fee structure. The District was designed and constructed in 1992-1993 to service 35 residential properties. The Town and residents received a grant to construct the system, with the requirement that the system is the property of the Town. The Town has an agreement with, and pays, the Sewer District to operate the system. The Town collects payments from the users, and the original fees were established to cover the operating costs as well as additional capital needs. The user fee structure was developed in 1992 and has not been updated since that time. Operating costs - for electricity and Sewer District services - are no longer sufficiently covered by the current fees. In August 2015 one of the leach fields failed and required rebuilding at a cost of \$46K, depleting the reserve fund completely.

Staff is recommending an increase of fees as follows:

	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Annual fixed rate per property (billed quarterly)	\$435	\$716	\$281
Annual variable rates per bedroom (billed quarterly):			
Seasonal property	\$38	\$58	\$20
Year Round property	\$76	\$116	\$40

Discussion of costs associated with the District, and the process of establishing updated fees, the distinction between year-round and seasonal, and the Webb Road situation. JM voiced her

concern that the amount budgeted for the capital reserve may not be adequate for future needs. Lennie Blanchette of the Sewer District spoke regarding the condition of the system, stating that the facilities when last inspected were in surprisingly good condition, perhaps partly due to the system having light use in the winter months. Dick Burns, a resident, expressed appreciation of John Foster and the Sewer District, and described the Webb Field system. He conveyed that some of the residents attended a meeting in early July and were accepting of the need to increase fees. The hope is for the residents to form an organization to facilitate discussions with the Town and the Sewer District.

JM asked about the possibility of a special assessment if there are additional failures/capital needs. JE confirmed that a special assessment would be possible, but recommended that the suggested fee schedule be put forward to the Town Council. Based on the process thus far, and the communications with the residents, these rates are a good start, with the expectation that the fee structure will be reviewed again within a year.

AH moved to recommend to the Town Council the fees as proposed by staff, with a commitment to review the fees annually. Second by Dan Harris. Motion carried with Alison Harris and Dan Harris in favor. Jane Millet opposed.

5. Organizational

a. Welcome Councilor Dan Harris

JM introduced DH as a new Finance Committee member.

b. Select chair/vice chair – TABLED

c. Review Finance Committee Policy – TABLED

d. Review regular meeting time/place

Committee confirmed third Thursday at 3:30 pm, in the Council chambers.

e. 2016-17 proposed calendar/schedule of work

JH presented suggested calendar with several workshops added during the CIP development process in the fall, but does not include the three budget workshops that were hosted by the Finance Committee in March 2016.

AH recommended adding certain tasks to the Finance Committee schedule: a review of the auditors and recommendation to continue engagement or conduct RFP process. Appreciates review of tax-acquired properties annually, would also like to look at inventory of Town-owned properties.

6. Finance Report

a. June expenditure & revenue reports

JH briefly discussed the monthly budget reports as of June 30, which were previously presented to the full Council on July 18th. JH noted increases in a couple of revenues in which the fees were added or increased during the year -- Mooring fees: \$17K (budgeted \$0); PW Street Opening fees: \$20K (budgeted \$8K). Not the final June 30th, as Town is still paying invoices related to 2015-16 activity.

b. Year end outlook

JH described the process of estimating the final year end results. Based on current projections, estimates \$400K 'to the good' on the municipal budget – including both revenue and expenditure lines. Estimates on the unassigned fund balance are more complicated, but currently is estimating the Town will be approx. \$100K below target unassigned fund balance of 16.67% of revenues. This shows a positive trend, largely driven by the reduction of the use of fund balance in the 2016-17 budget. Fund balance policy requires a plan to reach target unassigned fund balance within three years.

7. 2016-17 Budget process review

a. Look-back at process

JH referred to the analysis of the budget process done in July 2015, which resulted in the structuring of the budget workshops hosted by the Finance Committee in March 2016. Request is for feedback on those workshops and the budget development process in general.

Committee members expressed appreciation for the workshops, found it helpful to hear from department heads, would like all Town Councilors to attend. In future, would like presentation materials in advance of the workshops.

b. Recommendations for 2017-18 Budget

Discussion of the Finance Committee's role in the development of the budget. Finance Committee policy reads: "Review the annual budget as recommended by the Town Manager and provide commentary to the Town Council." JE clarified that the Town charter requires the Manager to prepare a budget for submission to the Town Council, and the Council as a body to adopt a final budget. The Finance Committee review is an opportunity to review the budget in detail, which is of interest to some counselors but not others.

Budget development calendar will be discussed by the full Council. Finance Committee expressed intention to be in closer communication with the School Finance Committee and the School Department in the budget calendar and expectations.

8. Adjourn